

27 MAY 1955

MEMORANDUM FOR: Legislative Counsel

SUBJECT: Proposed Bills for Crediting Unused Sick Leave
to Retirement Accounts

- REFERENCES:
- a. H.R. 3385, To provide for the credit, upon retirement of an officer or employee from government service, to the individual account of such officer or employee in the civil-service retirement and disability fund of a sum representing compensation for accumulated and current accrued sick leave.
 - b. H.R. 4080, To amend the Civil Service Retirement Act of May 29, 1930, as amended, to provide that accumulated sick leave over ninety days be credited to the retirement fund.

1. In accordance with your request, the bills referenced above have been reviewed as a basis for comment as to whether they are of interest to CIA personnel activities and whether further action by your office is necessary or desired. Both of these proposals seem to present a new approach as to the scope of sick leave benefits. Presumably, the objective is to reduce the amount of time lost through the use of sick leave by rewarding those employees who do not use it.

2. If these proposals are seriously considered, we believe the following factors should be taken into account:

a. The Government would need to assume a much higher financial liability to be represented by the rate at which sick leave is earned. Whereas the liability can now be estimated on the average basis of six or seven days per year used by each employee, these proposals require estimating payment for most or all of the 13 days earned per year, either through current use or by future credit for unused sick leave.

b. If non-use of sick leave were rewarded by additional retirement benefits, some employees would probably not use their sick leave when they should to the mutual disadvantage of the employing agency and the individual.

3. There are a number of questions which present themselves as to the complexities of administering either proposal. However, we assume these would be raised and resolved if a proposal is given careful study and consideration.

4. It is recommended that no official position be taken with respect to these proposals at this time. We would appreciate being kept informed of their progress and given an opportunity to comment upon subsequent developments.



Harrison G. Reynolds
Director of Personnel

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